

TERMINATION AGREEMENT

This Termination Agreement ("Termination Agreement") is made as of this _____ day of _____, 2013, by and between the Successor Agency to the Redevelopment Agency of the City of San Jose, a public entity ("Successor Agency") and Gallo Family Real Estate Partnership, a California limited partnership ("Gallo").

RECITALS

A. The Redevelopment Agency of the City of San Jose ("Agency") and Gallo entered into that certain Parking Lease, dated August 5, 2009 ("Agreement"), whereby the Agency leased from Gallo that certain surface parking lot located at 173 N. Morrison Avenue, San Jose and as more particularly described on Exhibit A of the Agreement ("Property").

B. On or about June 28, 2011, the Governor signed into law AB X1 26, as subsequently amended by AB 1484, which provided for the dissolution and winding down of redevelopment agencies throughout the State of California ("Dissolution Legislation").

C. On January 24, 2012, pursuant to the Dissolution Legislation, the City of San Jose elected to be the Successor Agency to the Agency to administer the dissolution and winding down of the Agency.

D. On February 1, 2012, pursuant to AB X1 26, the Agency was dissolved and, upon dissolution, all assets, properties and contracts of the Agency, including the Agreement, were transferred, by operation of law, to the Successor Agency pursuant to the terms of Health and Safety Code Section 34175 (b).

E. In connection with the winding down of the Agency and subject to the terms and condition set forth herein, the Successor Agency and Gallo desire to terminate the Agreement prior to the expiration of the initial term of the Agreement ("Expiration Date") and release each other from any further obligations under the Agreement.

NOWHEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, the parties hereby agree as follows:

Section 1. Effective Date.

It is expressly understood and acknowledged by the parties hereto that the effectiveness of this Agreement and the party's rights and obligations under this Agreement shall only become effective upon satisfaction of the following conditions:

(i) The Successor Agency Board shall have approved this Agreement;

(ii) The Oversight Board of the Successor Agency shall have approved this Agreement; and

(iii) Any review period available to the California Department of Finance ("DOF") to review the Agreement or to review the action taken by the Oversight Board of the Successor Agency approving the Agreement shall have expired and DOF shall not have disapproved, or objected to, this Agreement.

For purposes of this Agreement, the effective date ("Effective Date") of this Agreement shall be the date upon which the condition described in subsection (iii) has been satisfied.

Section 2. Termination Fee.

Within three (3) business days after the Effective Date of this Termination Agreement, the Successor Agency shall pay Gallo the sum of Twenty Nine Thousand Nine Hundred and no/100ths Dollars (\$29,900.00) as a termination fee to terminate the Agreement prior to the Expiration Date ("Termination Fee").

Section 3. Termination of Agreement.

Upon receipt of the Termination Fee by Gallo, the Agreement shall terminate and neither party shall have any further rights and/or obligations under the Agreement.

Section 4. Mutual Release.

The Successor Agency and Gallo, and their employees, agents, subcontractors, successors and assigns, hereby discharge and release each other from any and all claims, demands, obligations, liabilities, or causes of action, whether known or unknown (collectively, "Claims"), arising out of or relating to the Agreement.

Each party acknowledges that it is aware of the meaning and legal effect of California Civil Code Section 1542, which provides:

"A General Release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the Release, which if known by him or her must have materially affected his or her settlement with the debtor."

Each party waives the benefits of California Civil Code Section 1542 and all other statutes and judicial decisions (whether state or federal) of similar effect with regard to the discharge and release of Claims contained in this Section. Each party further

covenants and agrees not to sue the other party for any Claim arising out of or relating to the Agreement.

Section 5. Successor Agency Staff Assistance.

Successor Agency staff shall assist Gallo in working with the appropriate City departments to allow the existing surface parking lot on the Property to be used as a pay to park lot, provided that, except for Successor Agency staff time, the Successor Agency shall not incur any costs in connection with providing such assistance.

Section 6. Further Assurances.

Each of the parties agrees that it will without further consideration execute and deliver such other documents and take such other action as may be reasonably requested by the other party to consummate more effectively the purposes or subject matter of this Termination Agreement. .

Section 7. Entire Agreement.

This Termination Agreement contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes any and all prior agreements and understandings between the parties. The parties each acknowledge that they have read and understood the terms of this Agreement and have been represented by legal counsel in connection with the negotiation and execution of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Termination Agreement on the day and year first above written.

Approved as to form:

Senior Associate Counsel

SUCCESSOR AGENCY:

SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF
THE CITY OF SAN JOSE

By: _____
Richard Keit
Managing Director

GALLO:

GALLO FAMILY REAL ESTATE
PARTNERSHIP, a California limited
partnership

By: _____
Print Name: _____
Title: _____

Approved as to form:

By: _____
Robert L. Mezzetti II, Esq.
Attorney for Gallo